

The State Bar of California

REQUEST FOR PROPOSAL



This document is a Request for Proposal (“RFP”) for administrator groups (“Administrator”) interested in managing member programs and products for all State Bar sponsored affinity programs and products (“AP&P”). This service is separate from providing sales and administration of the State Bar’s existing sponsored insurance programs. “Affinity” refers to all programs and products other than insurance programs and products.

This RFP solicitation is to entities or individuals with the expertise and capacity to create a portfolio of member services and programs tailored to the needs of State Bar of California members. The entity or individual will be expected to provide administrative oversight of all AP&P with assistance and direction from the State Bar. The entity or individual will also be charged with the broker/selection process of vendors and other providers. **Individual vendors or providers offering a specific product should not respond to this RFP.**

Please submit 5 copies of your proposal no later than 5 p.m. on September 1, 2006 to:

The State Bar of California
180 Howard Street
San Francisco, CA 94105-1639

Attn: Laila Bartlett
Office of Member Services
415-538-2232
laila.bartlett@calbar.ca.gov

I. INTRODUCTION

As the State Bar is a constitutional agency established as a public corporation in the judicial branch of California’s state government, the process of selecting an Administrator is necessarily subject to various formalities. The State Bar is authorized to seek funding other than member dues revenue pursuant to Business & Professions Code 6001 (g) and 6140.9, to fund the Lawyer Assistance Program and other programs.

The State Bar of California is seeking proposals from Administrators to develop and administer AP&P for the State Bar of California's more than 200,000 members and families. Approximately 5,000 new members are added to the State Bar's member roll each year.

The AP&P Administrator will report to staff and volunteers as designated by the Executive Director and the Board of Governors to develop and put in place a highly competitive and value added portfolio of AP&P that would meet the changing needs of its membership during various stages of their careers and lives. The State Bar seeks to provide programs and products offering advantages to the members, their families not generally available as "street products" that members could easily purchase as individuals on their own or via the Internet.

The State Bar is seeking to encourage innovative approaches by qualified providers to meet the State Bar's objectives for the AP&P Program. In accordance with the State Bar's procurement policies, all contracts, which that may be in excess of \$50,000, are subject to formal competitive bidding. The State Bar may award a winning bid at the conclusion of this process or may determine to re-bid the AP&P Program. As a governmental agency, the State Bar regularly is granted favorable governmental pricing and contract terms.

Contact with State Bar personnel in connection with this RFP may not be made other than as specified in this RFP. Unauthorized contact of any State Bar personnel may be cause for rejection of a bid.

II. GENERAL INFORMATION

The submission requirements for this RFP are set forth below. The purpose of these responses is to assist the State Bar to determine if your company is likely to be willing and able to put together, on its own, or in partnership with other Administrators the type of flexible program that the State Bar envisions could best serve the needs of members and the State Bar. We would also welcome any other information and suggestions you may choose to provide.

A proposal shall constitute an irrevocable offer for 120 business days following the deadline for its submission. Reference to a certain number of days in this RFP shall mean business days unless otherwise specified.

A. Submission Requirements and Statement of Work

To be considered responsive, a proposal must contain the following, referenced by number and in the order below:

1. A brief statement as to whether your company has provided administrator management of AP&P to other associations, organizations, companies, groups and/or governmental units where the

target market consists of highly qualified professionals. If your company currently serves as the Administrator for such plans, a brief description of the most relevant programs, and a brief summary of such programs' experience would be particularly helpful. This response should include references (at least four including contact name and phone number) from organizations, which have used firm for similar projects.

2. A history of your firm, including identity and qualifications of project director and other staff proposed to work on project, and proof of financial solvency and stability (e.g., balance sheets or income statements from prior years). Provide evidence that your company, if a corporation, is in good standing and qualified to conduct business in California, and copies of business licenses, professional certifications or other credentials. The most recent ratings of your company (and its parent, if any) from such agencies as A.M. Best, Standard & Poor's, Moody's, Weiss, etc.
3. A description of the oversight and management model used by associations for whom you provide AP&P services.
4. A description of the range of financial support provided to sponsoring associations.
5. Supply any contracts, MOUs, or contractual terms that outline or control the AP& P agreements with sponsoring associations.
6. The State Bar is interested in distribution alternatives that go beyond the current direct response mail approach. Briefly describe your company's ability to promote programs and products using multiple techniques, including use of the Internet.
7. Do you provide hold harmless and indemnity protection to sponsoring associations? If not, why not? Are you agreeable to providing this protection to the State Bar?
8. A written acknowledgement of the acceptance of the Contracting Requirements set forth in section IV of this RFP. Specific terms may be reserved for future negotiation, but must be clearly identified and reasons given for the reservation.
9. Have you worked with government agencies in the past? Have you prepared and evaluated Requests For Proposal for agencies or associations?

10. What technology would you use to manage the database of information gathered on the AP&P? How would the information be shared with the State Bar?
11. The State Bar expects the administrator to perform due diligence checks and market research on proposed products within the AP&P. Describe how you will gather this information and how you will present it to the State Bar.
12. A description of your service model. What type of quality controls has your company implemented on the administrative and customer service side to ensure high quality service?

Proposals which fail to address each of the submission requirements above may be deemed non-responsive and will not be further considered.

B. Rejection of Proposals

The State Bar reserves the right in its sole discretion to reject any or all proposals in whole or in part, without incurring any cost or liability whatsoever. All proposals will be reviewed for completeness of the submission requirements. If a proposal fails to meet a material requirement of the RFP, or if it is incomplete or contains irregularities, the proposal may be rejected. A deviation is material to the extent that a proposal is not in substantial accord with RFP requirements.

Immaterial deviations may cause a bid to be rejected. The State Bar may or may not waive an immaterial deviation or defect in a proposal. The State Bar's waiver of an immaterial deviation or defect shall in no way modify the RFP or excuse a bidder from full compliance with the RFP requirements.

Any proposal may be rejected where it is determined to be not really competitive, or where the cost is not reasonable.

Proposals that contain false or misleading statements may be rejected if in the State Bar's opinion the information was intended to mislead the State Bar regarding a requirement of the RFP.

C. Evaluation Process and Highest Score Bidder

An evaluation team will review in detail all proposals that are received to determine the Highest Score Bidder ("HSB").

The State Bar reserves the right to determine the suitability of proposals on the basis of a proposal's meeting administrative requirements, technical requirements, the review team's assessment of the quality and performance of the services proposed, and cost.

During the evaluation process, the State Bar may require a bidder's representative to answer questions with regard to the proposal and/or require certain bidders to make a formal presentation to the evaluation team and/or the State Bar Senior Executive Team. The State Bar may also have discussions with those bidders falling within a competitive range, and request revised pricing offers from such bidders and make an award and/or conduct negotiations thereafter.

The following criteria will be used in reviewing and comparing the proposals and in determining the HSB. The weight to be assigned to each criterion appears following each item.

1. Responsiveness of the proposal to the submission requirements set forth in the RFP (10%).
2. Agreement with the State Bar's contracting requirements (15%).
3. The technical ability, capacity, and flexibility of the bidder to perform the contract in a timely manner and on budget, as verified by, e.g., the quality of any demonstration, client references, demonstrated success in projects with similar requirements and any other contracts with the State Bar (30%).
4. The financial viability of the bidder as evidenced by standard financial reports (15%).
5. The projected revenue of the proposal solution. Proposal should be itemized by type to allow the State Bar to implement the solution over the term of the contract (30%).

If a large number of proposals are received, the State Bar reserves the right to review the proposals using a tiered evaluation system. All initial proposals will be evaluated based on the Submission Requirements and Revenue Proposal, with the top candidates advancing as a finalist and receiving a full evaluation as outlined above.

D. Award and Execution of Contract

Subject to the State Bar's right to reject any or all proposals, the HSB will be awarded the contract. Notice will be posted at the State Bar's offices at 180 Howard Street, San Francisco, CA and written notice sent to bidders on or about October 20, 2006 of the Bar's intention to award the contract to the HSB. It is anticipated that final selection of the HSB will be made by October 27, 2006. The evaluation team will select a winning proposal subject to approvals granted by the Board of Governors. Upon selection, the State Bar and the selected Vendor will enter into good faith

negotiations on a contract containing, without limitation, the Statement of Work and Contracting Requirements sections below.

No contract or agreement, express or implied, shall exist or be binding on the State Bar before the execution of a written contract by both parties. If agreement on the terms of such a contract cannot be reached after a period deemed reasonable by the State Bar in its sole discretion, the State Bar may enter into negotiations and sign a contract with any other bidder who submitted timely, responsive and responsible proposals to this RFP.

If, after the State Bar and the HSB agree to terms and execute a contract, that contract is terminated for any reason, the State Bar may, in its sole discretion, either enter into negotiations with the next highest scored bidder, or issue a new RFP and begin the proposal process anew.

Questions regarding the State Bar's award of any business on the basis of proposals submitted in response to the RFP, or on any other matter in connection with the selection process, should be addressed in writing to Laila Bartlett at laila.bartlett@calbar.ca.gov.

Where written notice is required in this RFP, the notice must be sent by U.S. mail and either facsimile or e-mail.

E. Errors in the RFP

If a bidder discovers any ambiguity, conflict, discrepancy, omission, or other error in the RFP, the bidder should immediately provide the State Bar with written notice of the problem and request that the RFP be clarified or modified. Without disclosing the source of the request, the State Bar may modify the document prior to the date fixed for submission of proposals by issuing an addendum to all potential bidders to whom the RFP was sent.

If prior to the date fixed for submissions, a bidder knows of or should have known of an error in the RFP but fails to notify the State Bar of the error, the bidder shall bid at its own risk, and if, awarded the contract, shall not be entitled to additional compensation or time by reason of the error or its later correction.

F. Questions Regarding the RFP

Questions regarding the RFP may be addressed in writing to Laila Bartlett at laila.bartlett@calbar.ca.gov. All questions must be submitted no later than 10 days prior to the date for submission of proposals. Questions and answers regarding the RFP may be shared with all bidders known to be interested in submitting a proposal.

If a question relates to a proprietary aspect of its proposal and the question would expose proprietary information if disclosed to competitors, the bidder may submit the

question in writing, conspicuously marking it as "CONFIDENTIAL." With the question, the bidder must submit a statement explaining why the question is sensitive. If the State Bar concurs that the disclosure of the question or answer would expose proprietary information, the question will be answered, and both the question and answer will be kept in confidence. If the State Bar does not concur regarding the proprietary nature of the question, the question will not be answered in this manner and the bidder will be notified.

A bidder who believes that one or more of the RFP's requirements is onerous or unfair, or unnecessarily precludes less costly or alternative solutions, may submit a written request that the RFP be changed. The request must set forth the recommended change and reason for proposing the change. The State Bar must receive any such request no later than 10 days before the deadline for submitting proposals.

G. Addenda

The State Bar may modify the RFP prior to the date fixed for submission by posting, mailing, emailing or faxing an addendum to the bidders known to be interested in submitting a proposal. If any bidder determines that an addendum unnecessarily restricts its ability to bid, it must notify the State Bar in writing no later than 5 days before the deadline for submitting proposals.

H. Withdrawal and Resubmission/Modification of Proposals

A proposal may be withdrawn at any time prior to the deadline for submitting proposals by notifying the State Bar in writing of its withdrawal. The notice must be signed by the bidder. The bidder may thereafter submit a new or modified proposal, provided that it is received at the State Bar no later than the deadline.

Modification offered in any other manner, oral or written, will not be considered. Proposals cannot be changed after the evaluation process begins.

I. Protest Procedure

A bidder may protest the award if it meets all the following conditions:

1. The bidder has submitted a proposal that it believes is or should have been the HSB, under the criteria set forth above;
2. The bidder believes that its proposal meets the State Bar's administrative and technical requirements, proposes services of proven quality and performance, and offers a competitive cost to the State Bar; and

3. The bidder believes that the State Bar has incorrectly selected another bidder.

A bidder qualified to protest should contact Andrew Conover, Procurement Supervisor, (415) 538-2207, to attempt an informal resolution. If this contact is unable to resolve the protest to the bidder's satisfaction, the bidder must file a written protest within 5 days of the notice of intention to award the contract. The written protest must state the facts surrounding the issue and the reasons the bidder believes the award to be invalid. The protest must be sent by certified or registered mail or delivered personally to:

The State Bar of California
180 Howard Street
San Francisco, CA 94105-1639

Attention: Peggy Van Horn, Chief Financial Officer

Protests will be reviewed and decided by the State Bar's Award Protest Team within 30 days after the State Bar issues written acknowledgment of the protest. In the event that a protest is filed, the contract award will be postponed pending resolution of the protest.

J. News Releases

News releases pertaining to the award of a contract may not be made without the prior written approval of the State Bar.

K. Disposition of Materials

All materials submitted in response to an RFP will become the property of the State Bar of California and will be returned only at the State Bar's option and at the expense of the bidder. One copy of each proposal will be retained for official files and become a public record. Specific limited pages of a proposal, not including proposed cost and compensation, may be marked as proprietary and confidential. The bidder's consent will be requested before release of such pages to non-State Bar personnel. By submitting a proposal, a bidder agrees to these terms and waives any right to pursue a cause of action for damages incurred as a result of the release of any information contained in a proposal.

III. CURRENT PROGRAM

The State Bar currently does not provide AP&P.

IV. CONTRACTING REQUIREMENTS

Upon selection of an Administrator, the terms set forth in this RFP are to be embodied in a definitive agreement containing such additional covenants and other provisions as may be mutually acceptable.

The State Bar contemplates that, in addition to the terms described above in this RFP, final agreement between the State Bar and the selected Administrator will include, without limitation, the following terms. Submission of a proposal constitutes agreement to contract on these terms, except for any term specifically reserved in the proposal for future negotiation.

A. Time of Essence

Time is of the essence with respect to Administrator's performance of the services to be provided in the final agreement.

B. Warranties and Representations

Administrator warrants and represents that it possesses such expertise, experience and resources to perform the scope of services required in a diligent, timely and professional manner consistent with the standards of the industry. Administrator will supply at all times an adequate number of well-qualified personnel to perform the work. Administrator will provide a contact person available and authorized to remedy any non-conformity with this warranty.

C. Marketing

State Bar or its designated committee, subcommittee or employee must approve, in writing, all advertising, informational and/or promotional materials before they are distributed. Printed or written material pertaining to the AP&P will be submitted to the State Bar for review at least ninety (90) days prior to the date such material is expected to be used unless otherwise agreed to by the State Bar with respect to a particular matter. Administrator agrees that the State Bar's name, trademarks, member lists, and AP&P data are and will remain the property of the State Bar. The State Bar will retain the sole and exclusive ownership of all membership lists, expiration lists, marketing strategies and analysis, and any other tangible work product created by or for Administrator pertaining to the State Bar that has been generated or created during the term of this Agreement by either the State Bar or Administrator, or transferred to Administrator during the term of this Agreement, except information that Administrator needs to retain in order to defend its work product, all of which retained information will be held in confidence by Administrator.

D. Equipment, Tools, Supplies

Administrator will supply all equipment, tools, supplies, offices, personnel, instrumentalities, transportation, support services and insurance required. Administrator is not required to purchase, rent or hire any equipment, tools, supplies, offices, transportation, personnel, insurance or instrumentalities from the State Bar. The State Bar has no obligation whatsoever to provide any equipment, tools, supplies, offices, personnel, instrumentalities, transportation, support services or insurance required to perform services under this agreement.

E. Indemnity Obligations of Administrator

To the fullest extent permitted by law, Administrator will agree to protect, indemnify, defend and hold the State Bar and the State Bar's Board of Governors, officers, employees, agents and representatives and each of their successors and assigns entirely harmless from and against any and all claims, actions, demands, proceedings, liabilities, damages, judgments, fines, penalties, settlements, costs and charges, including, without limitation, attorneys' fees and expenses, arising directly or indirectly from or in connection with (a) any breach of the Agreement, (b) any actual or alleged negligent act, negligent error or omission, intentional misconduct of, or violation of any law by Administrator, Administrator's employees, subcontractors, agents, representatives or assigns (collectively, "Administrator's Agents") in the performance or non-performance of the services required to be performed by Administrator under the Agreement; or (c) the State Bar's enforcement of its rights under this indemnity provision. Administrator will agree that its obligations under this indemnity will survive the expiration and termination of this agreement.

In the event both the State Bar and Administrator are named as defendants in the same civil action, and the State Bar determines that a conflict of interest exists between the parties, Administrator will agree to provide, at its own cost, independent counsel for the State Bar. The State Bar may, at its option, designate its Office of General Counsel as equal participating counsel in any litigation wherein Administrator defends the State Bar.

F. Insurance Obligations of Administrator

Administrator will provide and keep in full force and effect during the term of this agreement, at Administrator's own cost and expense, the following insurance policies for the joint benefit of Administrator and the State Bar, with an insurer reasonably acceptable to the State Bar:

1. Commercial general liability insurance with a general aggregate limit (other than products/completed operations) of at least Two Million Dollars (\$2,000,000.00); at least One Million Dollars (\$1,000,000.00) personal and advertising injury limit; at least One Million Dollars (\$1,000,000.00) premises and operations limit; at least One Million Dollars (\$1,000,000.00) each occurrence limit;

2. Workers' compensation coverage as required by law, together with employer liability coverage with limits of not less than One Million Dollars (\$1,000,000.00) per occurrence.
3. Comprehensive automobile liability insurance covering owned, leased, hired and non-owned vehicles with at least One Million Dollars (\$1,000,000.00) combined single limit.
4. Professional liability insurance with a general aggregate limit of Ten Million Dollars (\$10,000,000) and an occurrence limit of Ten Million Dollars (\$10,000,000).

Administrator will deliver to the State Bar offices at 180 Howard Street, San Francisco, CA 94105 Attn: Andrew Conover, Procurement Supervisor, true and correct copies of its insurance policies required above, and certificates of such insurance within seven (7) days of the execution of this agreement. Each such policy will name the State Bar as an additional named insureds and will provide for the defense of such named insureds against claims for liability that arise out of or relate to the AP&P, even if any such claim is false or fraudulent. Each policy will also state that Administrator's policy shall be primary and that any insurance carried by the State Bar will be noncontributing with respect thereto. Each such policy will provide for thirty (30) days prior written notice to the State Bar in the event of cancellation or reduction in coverage or amount. If Administrator fails to secure and maintain insurance policies complying with the provisions of this agreement, the State Bar may purchase the appropriate insurance policies and Administrator will pay upon demand the cost of it to the State Bar or the State Bar may terminate this agreement. In addition to the insurance required to be obtained and maintained by Administrator, if Administrator assigns any portion of the duties under this agreement in accordance with the terms, hereof, each subcontractor or assignee will purchase and maintain the same insurance coverage required hereunder.

Administrator will immediately notify the State Bar if Administrator's commercial general liability insurance contains restrictive endorsements other than those restrictive endorsements normally included in the State of California. If Administrator's commercial general liability insurance contains such restrictive endorsements, Administrator shall have five (5) business days to remove said restrictions. If Administrator is unable to do so, the State Bar may terminate this agreement, and will be required to give Administrator no more than two (2) days' notice of such termination, anything in this agreement to the contrary notwithstanding.

G. Termination

1. **At Will.** The agreement will be terminated by the State Bar, in its sole and complete discretion, upon thirty (30) days written notice to Administrator. In the event of termination pursuant to this section, the Administrator's sole

compensation will be for that portion of services performed or goods delivered up to the date of termination, together with reimbursable expenses, if any then due. Administrator will not be paid for any services, goods or reimbursable expenses associated with any work or service not specifically authorized by the State Bar.

2. **Authorization of Funds.** If the term of this agreement extends into fiscal year(s) subsequent to that in which it is signed, it is understood that the continuation of this contract is subject to the authorization of sufficient funding for such purpose by the California State Legislature. If sufficient funds are not so authorized, the parties mutually agree that the contract may be terminated or amended as appropriate in response to the reduction in funding. If the agreement is terminated, Administrator agrees to take back any affected equipment, products, software, or hardware furnished under this contract, and relieve the State Bar of any further obligation, except for the State Bar's obligation to pay for services already performed pursuant to this agreement.

3. **Default by Administrator.** This agreement may be terminated by the State Bar upon thirty (30) days written notice to Administrator in the event Administrator is in default under any of its provisions. In the event this agreement is terminated due to the default by Administrator, Administrator will not be entitled to receive any compensation for services performed or for any reimbursable expenses incurred, and the State Bar will have the right to have the services completed by other parties and Administrator will reimburse the State Bar for the actual costs to complete the services in excess of the balance of the fee and reimbursable expenses, if any, provided for in this agreement. Any such act by the State Bar will not be deemed a waiver of any other right or remedy of the State Bar, including, without limitation, the State Bar's right to consequential damages caused directly or indirectly by Administrator's default.

4. **Automatic Termination.** This agreement will automatically terminate on the occurrence of any of the following events: (a) bankruptcy or insolvency of either party; (b) sale of the business of either party; (c) failure to comply with federal, state or local laws, regulations or requirements, or (d) expiration of the agreement.

H. Confidentiality and Publicity

Administrator will retain all confidential information provided by the State Bar in the strictest confidence and will neither use it nor disclose it to anyone other than employees requiring the information to perform services under this agreement without the prior written consent of the State Bar. The State Bar retains the right to enjoin any unauthorized disclosure in an appropriate court of law. Administrator will not issue

any public announcements concerning the State Bar without the prior written consent of the State Bar.

I. Compliance with Laws

Administrator agrees to comply with all applicable federal, state, and local laws and regulations, including but not limited to the advertising laws, privacy laws, unfair business practices laws, and provisions of the Fair Employment and Housing Act (Govt. Code, § 12900 et seq.) and any applicable regulations promulgated there under (Cal. Code of Regs., tit. 2, § 72850.0 et seq.). Administrator agrees to include the non-discrimination and compliance provisions of this clause in any and all subcontracts to perform work under the agreement.

J. Assignment/Subcontracting

1. **Assignment.** Administrator will not assign or transfer its interest, in whole or in part, under this agreement, without the written consent of the State Bar, which consent may be granted or withheld in the sole and absolute discretion of the State Bar.

2. **Subcontracting.** Administrator may subcontract with other qualified firms or individuals as required to complete all, or a portion of, the delivery of equipment and services, with the prior written approval of the State Bar.

Administrator will clearly describe the reason for using any subcontractors, the specific role each subcontractor will play in the project, and the relationship between Administrator and its subcontractor to be maintained during the term of this agreement. No subcontract will be approved unless Administrator provides a written guarantee that Administrator's firm will remain contractually obligated to assume all project responsibilities and the insurance requirements set forth above.

K. General Provisions

1. **Force Majeure.** Neither party will be deemed in default of this agreement or any provision hereunder to the extent that any delay or failure in the performance of the obligations of such party (other than the payment of money) results from any significant and material causes beyond its reasonable control and without fault or negligence by such party. Examples of such causes include, but are not limited to, (1) acts of God or public enemy, (2) acts of the government in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) embargoes, (9) earthquakes, and (10) unusually severe weather.

2. **Governing Law.** The agreement will be governed by the laws of the State of California without giving effect to its principles of conflict of laws.

3. **Attorneys' Fees.** In the event either party institutes any action or proceeding against the other party relating to this agreement, the unsuccessful party in such action or proceeding will reimburse the successful party for its disbursements incurred in connection therewith and for its reasonable attorneys' fees as fixed by the court. In addition to the foregoing award of attorneys' fees to the successful party, the successful party in any lawsuit shall be entitled to collect or enforce the judgment. This provision is separate and several and shall survive the merger of the agreement into any judgment.

3. **Arbitration.** Any question, claim or dispute arising out of or in connection with this agreement in excess of Five Thousand Dollars (\$5,000.00) shall be referred to binding arbitration, except with respect to disputes regarding breaches of confidentiality. Such arbitration shall take place before a single arbitrator in the City and County of San Francisco, and shall be conducted in accordance with Part III, Title 9 of the California Code of Civil Procedure. The arbitrator shall apply legal principles in accordance with California law, without regard to its conflict of laws principles, unless the alleged claim or dispute is otherwise pre-empted by federal law. By agreeing to this arbitration clause, neither party waives applicable defenses or immunities available to it under California law. Any arbitration demand made under this clause must be made no later than one year from the expiration or termination of this agreement. Each party will be solely responsible for payment of its own pro rata share of any expenses and fees incurred during the course of arbitration. In no event will the arbitrator have the power or authority to award consequential damages, indirect or special damages, lost profits, loss of goodwill, punitive, or speculative damages. Disputes of Five Thousand Dollars (\$5,000.00) or less shall be handled in Small Claims Court in the City and County of San Francisco.

4. **Audit.** Administrator agrees that the State Bar or its designee will have the right to review and copy any financial records and supporting documentation pertaining to the performance of this Agreement. Administrator agrees to maintain such financial records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Administrator agrees to allow the State Bar or its designee access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Administrator agrees to include a similar right of the State Bar or its designee to audit records and interview staff in any subcontract related to performance of this Agreement. If the records are maintained electronically, State Bar will be provided with electronic copies of records

5. **License.** In those instances where required, the Administrator represents and warrants that the Administrator holds a license, permit or special license to perform the services pursuant to this agreement, as required by law, or employs or works under the general supervision of the holder of such license, permit or special license and shall keep and maintain all such licenses, permits or special licenses in good standing and in full force and effect at all times while the Administrator is performing the services pursuant to the agreement.

6. **Conflicts of Interest and Disclosure.** Administrator agrees that it and its employees will not participate in any procurement of goods or services for the State Bar members if the employee's partner, family, or Administrator has a financial interest in the outcome of the procurement. The Administrator and Administrator's employees will also avoid actions resulting in or creating the appearance of (1) use of an official position with the government for private gain; (2) preferential treatment to any particular person associated with the AP&P or the services provided to the State Bar; (3) loss of independence or impartiality; (4) a decision made outside official channels; or (5) adverse effects on the confidence of the public in the integrity of the State Bar or this Agreement.